

EXHIBIT 1

Akin Gump

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August 23, 2018

VIA UPS

Ahmad Abadi
President
SB Gas & Wash Management, Inc.
151 N. Thurston Ave
Los Angeles, CA 90049

Re: Tesoro Refining and Marketing Company LLC v. SB Gas and Wash, Case No.
2:18-cv-04895-KS

Dear Mr. Abadi,

On behalf of my client Tesoro Refining and Marketing Company LLC (“TRMC”), I write to inform you that the Clerk of the Court has entered default against you and your company SB Gas & Wash Management, Inc. (“SB Gas”) in the above-captioned case, and to notify you of the damages that TRMC will seek in its motion for default judgment in this case.

For breach of the Retail Sales Agreement (“RSA”), TRMC seeks \$299,075.90, plus pre- and post-judgment interest. Under the RSA, pre-judgment interest accrues at 10% per annum from the date of the event triggering SB Gas’s indebtedness to TRMC, which is when TRMC terminated the contract for cause on June 13, 2017 in compliance with the Federal Petroleum Marketing Practices Act. Under the Retail Loan Agreement (“RLA”), TRMC seeks repayment of the \$125,000 loan, plus pre- and post-judgment interest. Under the RLA, upon an event of default, as happened when TRMC terminated the RLA for cause on June 13, 2017, interest accrues at the rate of 12% per annum, compounded monthly, from the date TRMC terminated the RLA. Pre-judgment interest will continue to accrue on the RSA and RLA damages until judgment is entered, and then post-judgment interest will accrue from the time of entry of the judgment until it is paid. In addition, TRMC will seek its \$400 costs for filing the complaint in this action, as well as attorney’s fees according to the schedule in the U.S. District Court for the Central District of California’s Local Rule 55-3, which provides for attorney’s fees of \$5,600 plus 2% of the judgment amount (excluding costs) over \$100,000.



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If you and/or SB Gas intend to defend against TRMC's motion for default judgment, please contact me by Thursday August 30, 2018. Otherwise, TRMC will move for default judgment against you and SB Gas on or after Friday, August 31, 2018.

Sincerely,

A handwritten signature in blue ink, appearing to read "Ashley Vinson Crawford". The signature is fluid and cursive, with a prominent initial "A".

Ashley Vinson Crawford